

DISTRICT OFFICE:  
8425 WEST 3D STREET  
SUITE 400  
LOS ANGELES, CALIFORNIA 90048  
(213) 651-1040

**Congress of the United States**  
**House of Representatives**

Washington, D.C. 20515

HENRY A. WAXMAN  
24TH DISTRICT, CALIFORNIA

COMMITTEES:  
INTERSTATE AND FOREIGN  
COMMERCE

CHAIRMAN, SUBCOMMITTEE ON  
HEALTH AND THE ENVIRONMENT  
GOVERNMENT OPERATIONS

BURT MARGOLIN  
ADMINISTRATIVE ASSISTANT

THE CABLE INDUSTRY AND THE 97th CONGRESS

Address by Rep. Henry A. Waxman  
Western Cable Show  
Anaheim, California  
December 12, 1980

I want to express my appreciation once again to the California Community Television Association for inviting me to join you at the annual Western Cable Show. More than any other of the industry's meetings, I look forward to this gathering to listen to your concerns and hopes for the future, and to share my perspective on events in Washington.

Spencer Kaitz and I have the strongest working relationship -- one that is exceptionally rewarding, and which will surely continue to grow in the future.

I cannot begin to look forward, however, without a few words about a very great man who will not be returning to Washington next month.

Lionel Van Deerlin has done more to promote the critical debate on the future of cable than any other legislator. He has done more to bring cable into the modern era than any other lawmaker. Van has charted the course we are to sail in the future, and with a measure of gentle nature and good humor -- no matter how heated the controversy of the moment.

Even though Van will no longer directly guide our work, his imprint will be on it. I am sure all of you join me in

Henry A. Waxman  
Western Cable Show  
page two.

extending to Van our very best wishes for the future.

No year has been more important to cable, or seen so many achievements on so many fronts, than 1980.

The distinctive trends in the industry -- growing market penetration, the introduction of more sophisticated technology, more programming to meet specialized needs (and let me welcome the Jewish Television Network on Theta Cable!) -- all have given way to further expansions of the frontier. You must be doing something right when your new partners are the major television networks. And even PBS wants to be "looking good together" with you.

Although we are not yet the apocryphal "wired nation," the country is clearly enmeshed in cable's development.

But the most profound breakthrough in 1980 has been in public policy toward the industry. As the moon crosses the path of the sun, so cable's performance over the past decade has eclipsed the ability of the FCC to effectively accomodate the technology. A vast regulatory shadow stunted the industry's growth.

Finally, and to its credit, the FCC faced the inevitable, removing the two rules that had harmed cable most -- the restrictions on the importation of distant signals and syndicated exclusivity.

The struggle over cable is characteristic of the choices we will face over the next decade.

Henry A. Waxman  
Western Cable Show  
page three.

The great challenge in telecommunications policy -- whether the issue is cable, the telephone industry, or certain aspects of broadcasting, such as radio -- is whether it will be flexible enough to cope with the technological revolution of the post-war era.

That revolution is marked by the emergence of media that promise abundance, diversity, and innovation.

But under the 1934 Act, telecommunications remains saddled with a legal framework most appropriate for media whose common denominators were scarcity, monopoly, and conformity.

Such a regulatory structure, and its public interest rationale, were appropriate in an age of radio, telegraphs, and telephones. But it is increasingly anachronistic when we have in our grasp microwaves, satellites, computers, and fiber optics.

Cable, therefore, is but one example of where development has posed an unavoidable and critical challenge to a regulatory structure that was forged half a century ago. This year, for cable, the FCC broke the shackles of the past. In removing the restrictive programming rules, cable has been freed to more fully compete in the marketplace.

It is an extraordinarily important victory. There is no doubt in my mind that the lessons of these events will shape our actions in Congress in the future.

Surely, the industry is indebted to Charles Ferris, the outgoing Chairman of the Commission, for his foresight and commitment on this issue. He has led cable out of the wilderness.

The Promised Land, however, is another matter. The great unresolved question has to do with copyright payments. We all know the issues involved. It is not a controversy that will simply fade away. Suffice it to let me make the following observations:

First. There does exist a mechanism, the Copyright Royalty Tribunal, for reviewing the issue of copyright payments by cable. Its review has been triggered, as the authors of the law anticipated, by the FCC's deregulation of the industry. It is an objective forum that can fully explore the merits of any proposed readjustment in the schedule of copyright payments. Its decisions will surely be helpful to Congress. Accordingly, there is a case to be made for letting this process run its course.

Second. There is no doubt that broadcasters and the program production industry want relief from the FCC's rulings as quickly as possible. This is not a question of reinstating the distant signal or program exclusivity rules. The genie is out of the bottle, and cannot be shoved back in. But copyright will be faced in Congress, one way or another. I would not be surprised if movement on this issue began in the new Senate.

Third. The debate will be framed by a discussion of what truly constitutes a "free market" in programming. Certainly cable used this argument in seeking, and winning, repeal of the FCC's rules. Just as certainly, producers and broadcasters are using this very reasoning to obtain fair compensation for the use of their product. Their argument is compelling and

Henry A. Waxman  
Western Cable Show  
page five.

could easily have an undeniable attraction to the Reagan Administration. The burden will be on you to answer the argument in its own terms.

I know this will be a difficult period ahead -- but when did cable ever have it easy? I very much want to work with you to resolve it, fairly, once and for all.

In conclusion, I want to say a few words about Tim Wirth, who will most likely assume the chairmanship of the Subcommittee on Communications.

He will be a superb chairman. There are few who are more highly respected for their intelligence, commitment, and diligence than Tim. He is an expert on these issues. He understands them, and cares about them. He has been the most active member of the subcommittee aside from Van. He is exceptionally resourceful. And he is fair. I trust him, and will look towards his leadership and guidance over the next two years.

You can be assured as well, regardless of my position on the Commerce Committee, that I will be active and have a direct and continuing involvement in these issues.

I congratulate you on your outstanding achievements so far, the overwhelming success of this year's convention, and the prospect for even finer days ahead.

Thank you.